Development (1935) Department

M/s SERIES.

G.O. No. 1739.

DATED 10th December 1938

[Despatch Abstract.]

Co-operative Societies:

Liquidation - Harpanahalli Local Co-operative Unio

Bellary District - Appeal - rejected.

Dev 4477 11/1935

Office of the Local Co-operative
Union, Limited, Harapanahalli.
Bellary District.

Dated 14th. October 1935.

From

M.R.Ry. I. Vasupalappa, Garu, B.A.,
President, L. C. U. Ltd.,
Harapanahalli.

To

The Local Government,
Development Department,
M a d r a s.

Sir,

Under the provisions of the Co-operative societies Act an appeal against the order of liquidation of the Harapanahali Union, has been submitted by the General body of the Union consisting of all the affiliated societies. The following enclosures are enclosed:

Appeal for the retention of the Union.
Order of the Joint Registrar cancelling the registration
Deputy Reigsitrar's order refusing to grant the report
do. do. ordering not to collct the S.F.
Resolutions of the General body dated July 1935
do. do. do. 14-10-35

The above filos may kindly be perused and considered in the interests of the movement, and retention of the Union ordered.

Besides this, the general body of the affiliated societies, have resolved to request the Local Government to retain the Union, detailing the advantages and disadvantages of its abolition.

I reques t that you may be so kind as to keep the cancellation order in abeyance, and permit us to wait on a deputation as resolved in the general body. Please vide resolution enclosed. We will be able to come during the first week of November and request that you will kindly give us a patient hearing on the subject before passing final orders in the matter.

For which act of kindness , the movement in the

3

Office of the Local Co-operative
Union, Ltd., Harpanahalli.
Dated 19-9-35.

To

The Secretary to the Local Government
Development Department,
MADRAS.

Sir,

Sub:-- Liquidation - Harapanahalli Union - Bellary District
Cancellation of Registration - Appeal under Section
of the M.C.S. Act VI of 1932.

Ref:- Joint Registrar's F.No. 6035/35.dated 4-9-35.

The Joint Registrar of Co-operative Societies, Madras, on the recommendation of Deputy Registrar, Bellary, has ordered the liquidation of Harapanahalli Union on certain alleged grounds- please vide Ex. A enclosed.

The allegations made and shown therein are all a tissue of half truhh, untruth and no truth and not based on records, as th following facts prove:

The heavy overdues in the area are mainly due to trade depression and existing famine conditions. The waving or suspending of Government kist, takavi loans, and the starting of famine camps in the District, will clearly prove the fact. This is not the besetting sin of our Union.

Enquiry under section 38 was not properly conducted but it was at best an in camera enquiry. Neither any governing body member nor any general body member was enquired into as per rules. The file may kindly be got and perused. Inspite of several requests the Deputy Registrar did not even supply us with Enquiry Report. Please vide ExB. In the absence of the same we cannot know and rectify the defects. The report cannot be damaging as the Union is working, properly.

be damaging as the Union is working properly.

The Union never resolved to suspend its activities - But as the Deputy Registrar desired the suspension, a general body was called for and everything was done accordingly to the open advice and at the self denying ordinance of the Deputy Registrar himself. The statement of the Deputy Registrar is traversity of truth. Such inconsistendy and pusillanimity are rare incidents in the history of our Union. We protest for such a chiken hearted policy of the Deputy Registrar.

Mere reporting that large portion of overdues may prove irrecoverable is a sweeping characterisation. We assert with a full sense of responsibility, that most of the debts are secure and recoverable, and that they become insecure and irrecoverable in proportion as all non-official co-operation is withdrawn and defied.

A

The Directors themselves have not lost their enthusiasm in the working of the Union but they are made to lose by the cold discourteous and the bellicose attitude of the men dressed in brief little authority. Chapping the tallest poppies, personal vendatta against honest men and the rest of it seem to be the policy of the Deputy Registrar of the District. Commundlism is making its headway in the department in the district. How can enthusiasm thrive in such chilling atmosphere ?

B

The allegation of the Deputy Registrar that property statement is not revised in all cases is a myth. Every year almost all affiliated societies have been revising the same. Please vide Ex C. Further, for the last two years the Bank under the able guidance of a departmental officer has this workof societies under their direct supervision and control and as such the Union cannot hold itself responsible for this petty irregularity even if it be.

Central Bank is not financing the Union from its funds and so it is never a drain on its ~~pressure~~ PURSE. The affiliated societies pay the Supervision Fund. In all cases when Union

Union sent remittances, instructions were given to Bank to adjust first to Supervision Fund as per rules of the Bank. But the Bank to show greater collection under interest never credited it to Supervision Fund and hence there may be a balance of Supervision Fund. If left to us, this will be collected within a month. Hence the remark ~~x~~ made by the Deputy Registrar is very trivial and unconvincing. please vide Ex D. 7 of 1951

The Union ~~is~~ has been discharging its functions to the best of their ability.

The Union is prepared to work without any expenditure in the interest of societies.

C. ~~A~~t is no disparagement to say that the work of the movement in the taluk may not prosper as much as it would without the aid of the hon-officials. The non-officials are the necessary evil for atleast some time to come. In scraping such non-official institutions especially in this backward corner of the presidency where even transport and communication is difficult, the Deputy Registrar and the department, we are of opinion are taking a great responsibility.

This body is willing to hold itself responsible for the proper management and supervision and for safeguarding the interests of the financing bank without any cost in case it is retained.

This body has cordially placed the facts before you, and request you to call for the whole file, examine the facts and order the retention of the registration of the Union.

We beg to remain

Sir,

Yours Obediently,

H Srinivasa Rau - SBECS Ltd.

A Narayana Bhatt. H-S-C-S-S-Ltd.

H Lakshminarayana Nayak Secretary

10

Extract from Audit Review's showing property statements. Revised in the Harapanahalli Local Co-operative Union Ltd.,

34-35	----------	26 out of 36.
33-34	----------	32 out of 38.
32-33	----------	16 out of 38.
31-32	----------	39 out of 40.
30-31	----------	38 out of 40.
~~30-39~~	-	~~19 out of 40.~~
~~33-34~~	-	3.

(True Copy)

H.S. Srinivasa Rao
SECRETARY.

Ex 'C'

Project Steel Mill. Welder Training Program

Section 19-Operating Union Pin.

Subject: Welding in the Horizontal

(35)

1-	----------	5 out of 10.
2-	----------	6 out of 10.
31-33	----------	15 out of 30.
34-36	----------	12 out of 24.
37-39	----------	9 out of 18.

WELDER.

No.1 Camp. Camp Hospet.

17-6-1935.

Ex 'D'

From

M.R.Ry U.L. Venkatanarasiah Garu.

Deputy Registrar of Co-operative Societies.

Bellary.

To,

The Secretary, L.C.U. Ltd.,

Harapanahalli.

Sir,

Subject :-Supervision Fund Collection by Union.

Reference :- Your letter No. 9/35 dated 12-6-35

o Bank.

X X X X X X

Your Union has no right to collect supervision fund from any of the affeliated societies and much less appropriate such collections towards the expenditure of the Union.

X X X X X X

(Sd) U.L.Venkatanarasiah

Deputy Registrar

(True Copy)

Secretary.

Proceedings of the generalbody of the Local Co-operative Union, Ltd., Harapanahalli, dated

Resolution No.90:- Read Registrar's order dated-F6035/35 dated 4-9-1935. re: the liquidation of Harpanahalli Union Draft appeal against the same.

The draft appeal is approved. The local Government be requested to kindly consider the merits of the appeal and restore the registration of the Union. This body are again reiterates the sense of opinion given in the generalbody res:75 dated14-7-35.

Messrs. I.Vasupalappa, A.Narayanabhatt, C.Chennanagoud, Kalyanasetra Basappa, and K.Srinivasa Rao are requested to wait a deputation on the development Minister and the Joint Registrar within the appeal time to explain the working difficulties of the Union and restore its registration.

The sum of rupees one hundred only has been sanction to meet the expenses of the above deputation.

(sd) I.Vasupalappa.
President.

(TrueCopy)

K.Srinivasa Rao
Secretary.

Proceedings of the Generalbody of the Local Co-operative Union, Ltd., Harapanahalli dated 14-7-35.

Resolution No.75:- Reading the D.O. of the Deputy Registrar.

The generalbody is of opinion that the existence of the Union is very necessary in view of the fact that large amount of moneys are lent out to the societies affiliated to the Union and in order to recover them the help of the local men is absolutely necessary. The Union is willing to co-operate with the Bank and the Department in attending to rectification and collection work with a minimum budget as may be approved by the Deputy Registrar. The general body requests the Deputy Registrar to address the Registrar for the continuance of the Union as there are not men wanting to devote some time and energy in the cause of the moment.

(sd) I. Vasupal.
President.

(True Copy)

A.S. Srinivasa Rao
Secretary.

Yours truly,

Secretary.

(Sd) T. Thompson.

To the Chief

[illegible] the circumstances of the account

[illegible] Chief Secretary has written to advise the Secretary for the [illegible] Office that [illegible] Family Register. The General [illegible] Office [illegible] Family Register. The General [illegible] Office [illegible] with a minimum [illegible] to occupy [illegible] for [illegible] and the Department [illegible] Office [illegible] necessary. [illegible] to the action and is accordingly [illegible] Chief Secretary [illegible] Family Register [illegible] of change [illegible] Office [illegible] Family Register [illegible] = Supplying the [illegible] of the Family Registers

Circuit Court, 14-7-[illegible]

Secretary to Government, Education Department, Ootacamund.

[illegible] Chief Secretary [illegible] Family Registers [illegible] Office [illegible] Family Registers [illegible] Office [illegible] Family Registers [illegible] Office

14

Proceedings of the generalbody of the Local Co-operative Union, Ltd., Harapanahalli, dated

Resolution No.93:- Read resolutions from affiliated socities regarding their opinion as to the liquidation of the Union.

The affiliated societies have resolved in their General body meetings to request the local Government and the Joint Registrar to retain the existence of the Union in the interests of the movement. These may be submitted to the local Government for necessary consideration.

(sd) I.Vasupal.

President.

(True Copy)

Sd/ Srinivasa Rau

Secretary.

[illegible]

[illegible]

[illegible]

15

Dev Dept

7/11

7/11

Liquidation — Local Co-operative Union Ltd — Hapanadalle — Appeal from member 5/9/35

Sec No. 4477 in/35 x, d 6/11/35

Referred to the Reg Cs. for early remarks.

To the Reg. Cs with appeal — if any is any to be rec'd.

6/11/35

Reg

6/11/35

Reg

7.11.1935

To the Registrar Co-operative Societies from 4/9/35 p/c of

To U/S

The appeal is in time. The draft Sec is for approval. Orders on the request to wait on a deputation will be taken on receipt of the Reg's remarks.

S/R. 7/12/35

6/11/35

6/11/35

Des. 4954-M
25-11-35

CO-OPERATIVE **DEPARTMENT.**

Received ..... 19 . *Registered* 19

Subject.

Liquidation - Harpanahalli Local Co-operative Union - Bellary District - cancellation of registration.

ENCLOSURES.
No. .....
.....
Spare copies .....

F. No. 7522/35

Station Chepauk, Madras, *Dated the* 20th November 1935.

From (Name) T. Austin, Esquire, I.C.S.,
(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,
DEVELOPMENT Department.
Fort St. George, Madras.

Sir,

Ref: Endorsement No.4477-III-35-1 dated 6-11-35.

The appeal petition received with the reference quoted is resubmitted with the following remarks.

2. The registration of the Harpanahalli Co-operative Union was cancelled for the following reasons. Firstly its working has not been satisfactory, secondly it was an unnecessary drain on the slender resources of the Central Bank and thirdly certain undesirable persons connected with the Union were doing unwholesome propaganda among the affiliated societies. The first two reasons were mentioned in the order cancelling the registration of the union while

P. T. O.

the last one was not mentioned as it was of a confidential nature.

3. The appeal petition contains irresponsible allegations against the local Deputy Registrar and they deserve no consideration.

The existence of overdues in affiliated societies is accepted but it is attributed to economic depression and famine. Depression and famine are of recent origin while the overdues have been in existence for a number of years. Many of the societies have not repaid their overdues under interest even and there cannot be any justification for such state of affairs. This reflects only on the inefficient supervision exercised by the Union.

The appellants state that the Central Bank is not financing the union from its own funds and so it is never a drain on its purse. This is an incorrect statement. Under the bylaws of the Central Bank it contributes towards Supervision Fund from out of its funds a sum equal to 6¼% of the collections made under interest on loans given to societies and adds it to the supervision fund contributed by the societies. The Central Bank makes the contribution with the hope that the affiliated societies will be supervised well, that the moneys lent to them will be ~~served~~ secured well and that the loans due to the bank will be repaid promptly when the union is not able to achieve these objects, the moeny spent on it is a waste and the Central Bank cannot afford to incur such waste in its present financial condition.

The heavy arrears under Supervision Fund are attributed to the rules of the bank crediting the collections firstly to interest and not to Supervision Fund. The union seems to forget that it is its duty to arrange for the collection of not only Supervision Fund but also interest etc. If fair collections had been

effected by the union the arrears under Supervision Fund would not have increased. It may therefore be seen that the union cannot blame others for the heavy arrears under Supervision Fund.

4. When other local co-operative unions in the Districts were liquidated this union was allowed to continue not because its working was good but because the Deputy Registrar anticipated some chaos and confusion among societies if the registration of this union was also cancelled at the same time. Some of the members of the governing body of the union use their connection with it for their own personal benefit and for political purposes. The existence of the union serves no useful purpose.

5. It is not possible to secure the services of proper men to work the union and to improve the condition of affiliated societies. I therefore request Government to confirm the orders cancelling the registration of the union at an early date. This office D.Dis.6035/35 is enclosed for reference.

I have the honour to be,

S i r,

Your most obedient servant,

K. Ramakrishnan

For Registrar. 22/11

S.K./21-11. BVB 22/11/35

Dev Dept

Registration - Harpanahalli Local Co-op: Union - appeal.

To h.s

Please see the appeal preferred by the members of the Harpanahalli Local Co-op: Union, Bellary, against the order of the Registrar of C.S cancelling the registration of the Union. The Registrar's remarks on the appeal will be found at pp 16-18 of cf.

It is clear that the union was not working well. There were overdues in applications, which the union never cared to collect and the amount of overdues was very large. - please see p. 19 of the Regr's office file. It has been stated in the appeal that the Central Bank is not financing the union from its funds, and one of the grounds on which the registration of the union was cancelled was that it was an unnecessary drain on the resources of the Bank. The Regr - states that the statement of the union was incorrect and that the Bank was contributing to the Superannuation fund at 6¼ % of contributions made under protest. It is surprising that the

appellants have made an unambiguous statement like this on an important point. The statement of receipts and charges does not show that the union was spending much on its working. It will be interesting to know what collections were made by the union for the Defence fund from voters and how much the Bank contributed to the fund for that year. It is not also clear under what circumstances the Bank issued (1) order to the union that it had no right to collect Defence fund from voters. The Registrar also be requested to state what arrangements have been made for the disposal of (2) funds of affiliated to the union, when it is liquidated cancelled.

Let the matter be submitted to the Judge for orders as to the Draft Order to be submitted for approval.

Let this be done
JS
21.12.85

Nothing is required to corroborate the statement of the Registrar that the appeal petition contains irresponsible allegations than a mere perusal of the petition. Nor is it necessary to doubt the statements of the Joint Registrar and the Registrar that the affairs of the Union are bad. It is patent that a Union which is at once bad and subscriptions is a drain on a

Central Bank. The reason of a confidential nature mentioned by the Registrar explains the reason for the lack of interest and the poor state of affairs of the Society. I remember that, when I was Sub Collector of Hospet, Harpanahalli was the centre of the C.D. Movement in the District and, in this connection, Mr. Vasupalappa's name has a familiar ring in my ears. It was not the open C.D. Movement that one came across elsewhere, but the type that lay low and insidiously instigated others and which was worse. Please see the portions marked A & B on page 4 and C on page 5 of the current file.

Submitted that there are no grounds for interfering.

3/12/35

3/12

3/12 A.C. Cards M.2

5/12/35

5/12

5/12

To this

a draft order is submitted for approval. I presume no mention need be made of the deputations proposed in the petition.

2.12.35 2/12/35

3/12/35

3/12